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## ASX / MEDIA RELEASE

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### Investor enquiries:

Ray James - Managing Director  
Telephone: (+617) 55 547111  
Facsimile : (+617) 55 547100  
Email : info@iconenergy.com  
Or Visit : www.iconenergy.com

30 August 2011

### Drilling Rig Secured for Beach-Icon Joint Venture

Icon Energy Limited (*Icon Energy*) (**ASX : ICN**) today announced that the Ensign #65 Drilling Rig had been secured by Beach Energy Limited (*Beach*) as part of Beach's ATP855P farmin commitment to Icon Energy to drill an horizontal pilot unconventional production well (*Well*) into one of the strata comprising the Roseneath, Epsilon & Murteree sequence.

Under the terms of the farmin arrangements:

- The Well is to be cased and suspended, so that it is suitable for fracture stimulation (which is expected to occur within 30 days of rig release from the Well);
- Beach will fund Icon's share of the farmin operations at an estimated cost of \$16 million (gross), with the exception of a \$1.75 million contribution to be made by Icon Energy; and
- The cost of fracture stimulation, completing and flow testing the Well will be paid by the Joint Venture parties in proportion to their Participating Interest shares.

Icon Energy Managing Director Ray James said that Beach has advised that the Ensign #65 (*Rig*) would arrive in Australia from north America in April 2012 and be ready to commence drilling in ATP855P by no later than June 2012.

"An important aspect of reaching agreement on the farmin terms was for the farmin well to be drilled as a matter of priority", Mr James said.



“Beach has agreed that, once secured, the Rig would be mobilised to ATP855P ahead of any other operations”.

The Ensign #65 Rig:

- Is a new build 1,500 horsepower rig out of Canada and the US which is expected to arrive around April 2012;
- Encompasses the latest proven technology being used for drilling horizontal wells in the Haynesville shale province in the US; and
- Will be built to meet Australian standards and conditions and has the capability to drill 1,500 metre laterals from a depth of 4,000 metres.

“The Rig will be used to assess the continuation of what is considered to be a thick, multi lithology gas accumulation which potentially extends into ATP855P from PEL218, located on the South Australian side of the gas rich Nappamerri Trough”, Mr James said.

“Icon Energy took a strategic decision to harness Beach’s established expertise in shale gas exploration and drilling in the Nappamerri Trough so as to expedite operations in ATP855P, in which Icon Energy is to largely be carried, except for a small staged contribution of AUD\$1.75 million”.

“This enables Icon Energy to focus its own operational teams on exploration activities elsewhere in the Surat Basin in ATP849P and ATP626P, as well as in the Gippsland Basin, where Icon Energy holds a 100% interest in PEP170 (located adjacent to the Wombat discovery)”.

Mr James said that Icon Energy was also reassessing operations in ATP626P and had recently identified additional leads to assess the coal seam gas potential and prospectivity of the tenement.

The ATP855P joint venture comprises:

Icon Energy Limited	40%
Beach Energy limited	40%
Deka Resources Pty Ltd	10%
Well Traced Pty Ltd	10%

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